

## **Private Fee-For-Service -----Provider Questions and Answers**

### **1. What qualifications must a health care provider have in order to be eligible to furnish services to Medicare beneficiaries who are enrolled in a PFFS plan?**

Enrollees in a Medicare+Choice private fee-for-service plan can obtain plan covered health care services from any eligible provider in the U.S. who is willing to furnish services to a PFFS enrollee. To be eligible to furnish care to a PFFS enrollee physicians must be state licensed, have a Medicare billing number or be eligible to obtain one. Institutional providers treating PFFS enrollees, such as hospitals and skilled nursing facilities must be certified to treat Medicare beneficiaries

### **2. What are the terms and conditions of participation?**

The terms and conditions of participation establish the rules that providers must follow if they choose to furnish services to an enrollee of a PFFS plan. At a minimum the terms and conditions will specify:

- The amount the PFFS organization will pay for all plan-covered services;
- Provider billing procedures;
- The amount the provider is permitted to collect from the enrollee; and whether the provider must obtain advance authorization from the PFFS organization before furnishing a particular service.

If the provider furnishes a service to a PFFS enrollee that is not covered by the plan, the PFFS organization is not required to pay for the service.

A private fee-for-service organization is required to make its terms and conditions of participation reasonably available to providers in the U.S. from whom its enrollees seek health care services. This generally means that the organization offering the PFFS plan will post its terms and conditions on a web site and also make them available upon written or phoned request.

### **3. What does it mean for a provider to be deemed by a PFFS organization?**

A provider is a deemed provider and must follow a PFFS plan's terms and conditions of participation if the following conditions are met: a) In advance of furnishing services the provider knows that a patient is enrolled in a PFFS plan and b) the provider either possesses or has access to the plan's terms and conditions of participation.

It is important to note that a provider is not required to furnish health care services to enrollees of a PFFS plan. However, when a provider chooses to furnish services to a PFFS enrollee and the deeming conditions have been met the provider is automatically a

deemed provider (for that enrollee) and must follow the PFFS plan's terms and conditions of participation.

#### **4. What is a non-contract provider?**

If a provider furnishes services to a PFFS enrollee but the deeming requirements are not met then the provider becomes a non-contracting provider. For example, a provider cannot become deemed in circumstances where the provider does not know in advance of furnishing services that a patient is a member of a PFFS plan. This could occur in an emergency where a provider cannot communicate with the patient before furnishing care or in certain situations where the provider does not inform the provider of their enrollment in a PFFS plan. As a further example, a provider cannot become a deemed provider if the provider has not received or does not have reasonable access to a PFFS plan's terms and conditions of participation prior to furnishing services to a PFFS enrollee.

#### **5. How does the deeming process work?**

In most cases a PFFS enrollee will inform a provider before obtaining a service that they are enrolled in a PFFS plan. In addition, the PFFS enrollee will have an enrollment card provided by the PFFS plan identifying them as enrollees in a PFFS plan. The card will specify a phone number and / or a web address where the provider can obtain the PFFS plan's terms and conditions of participation. Accordingly, if an enrollee informs a provider of their enrollment and the provider furnishes services the provider will become a deemed provider bound by the PFFS plan's terms and conditions of participation. Once the provider knows an enrollee is enrolled in a PFFS plan it is up to the provider to either make the phone call or access the plan's web site for information on the plan's terms and conditions of participation.

#### **6. What happens if a provider furnishes services to a PFFS enrollee but the deeming conditions have not been met?**

If a provider furnishes services to an enrollee in a PFFS plan and the conditions of deeming have **not** been met then the provider is a non-contract provider. It is important to note that a provider can choose whether or not they will furnish services to an enrollee in an PFFS plan but if a provider furnishes services the provider cannot choose whether they are classified as a deemed or a non-contract provider. If a provider is aware in advance of furnishing services that a person is enrolled in a PFFS plan and the provider either possesses or has access to the plan's terms and conditions of participation the provider is automatically a deemed provider. A provider is only classified as a non-contract provider if they furnish services to a PFFS enrollee and the deeming conditions have **not** been met.

## **7. How much will a non-contract provider be paid?**

When a non-contract provider furnishes plan covered services to a PFFS enrollee they are entitled to receive in payment the amount the provider would have received as payment in full for a given service by Original Medicare. Specifically, the amount a provider is allowed to collect from the enrollee combined with the amount the PFFS plan pays cannot be less than what the non-contract provider would have received for the service under Original Medicare. The non-contract provider can only collect from the PFFS enrollee the amount allowed by the plan's terms and conditions of participation. If a provider mistakenly collects more from the enrollee than the plan allows than the provider must refund the difference to the enrollee.

For example:

If a non-contract provider is a Medicare participating provider of services (e.g. PPS hospital, SNF), they are entitled to receive the same payment they would receive under Original Medicare (e.g. DRG plus add ons, SNF PPS). The provider collects the plan allowed cost sharing from the beneficiary and the plan pays the provider the remainder.

If a non-contract provider is a participating physician in Original Medicare, they are entitled to receive the Medicare allowed amount for participating physicians under Original Medicare's fee schedule. The provider collects the plan allowed cost sharing from the beneficiary and the plan pays the provider the remainder.

If a non-contract provider is a nonparticipating physician in Original Medicare, the provider is entitled to receive the Medicare limiting charge. The provider collects the plan allowed cost sharing from the beneficiary and the plan pays the provider the remainder.

## **8. What happens if a PFFS plan pays a deemed provider less than what they believe they are entitled to receive?**

If a provider is deemed and furnishes services to a PFFS enrollee, the total amount of payment they are entitled to receive, including any beneficiary cost sharing and the amount the plan will pay, will be specified in the plan's terms and conditions of participation. The provider is responsible for collecting the allowable cost sharing from the PFFS enrollee. The PFFS plan must pay providers the amount specified in its terms and conditions of participation.

## **9. What happens if a PFFS organization pays a non-contract provider less than what the provider believes they are entitled to receive?**

If a provider has furnished services to a PFFS enrollee and the deeming conditions were not met then the provider is a non-contract provider. Non-contract providers are entitled to receive what they would have received under Original Medicare for furnishing a given service. The amount the provider is paid includes the amount the plan allows the

provider to collect from the enrollee and the amount the plan pays the provider directly. If the total amount received by the provider (including cost sharing from the enrollee) is less than the provider would have been paid under Original Medicare the plan must pay the provider the difference.

**10. How does a provider receive reimbursement from a PFFS organization?  
Does the provider use the same forms and coding as Original Medicare?**

To be paid by a PFFS organization, the provider must send their bill to the address (or electronic address) provided in the PFFS plan's terms and conditions of participation. The terms and conditions of participation will also specify how much a provider is allowed to collect from the beneficiary and how much they will be paid in total for a given service. The terms and conditions of participation will also specify the form and content of the bill the provider submits to the PFFS plan. Original Medicare (intermediaries and carriers) will not accept bills for enrollees in a M+C PFFS plan.

**11. What is an estimated Medicare payment amount?**

An estimated Medicare payment amount is an estimate of the dollar amount that Original Medicare would have paid for certain Medicare covered services. In many cases providers are entitled to receive from a PFFS organization the same dollar amount they would have been paid by Original Medicare for a given service. A provider will be paid an estimated Medicare payment amount for those services where Original Medicare lacks a fee schedule or prospective payment amount that could readily be used by the PFFS plan to pay providers.

The PFFS plan's terms and conditions of participation will inform providers if they are entitled to receive a payment amount equal to what they would have received under Original Medicare. In addition, the terms and conditions of participation will disclose if the payment amount is going to be an estimated Medicare payment amount. If the payment amount a provider receives from the PFFS organization (including the enrollee cost sharing collected) is less than the provider would have received under Original Medicare for the service the provider can appeal the payment amount to the plan.

To appeal the payment amount the provider must provide reasonable documentation to the plan of the Original Medicare payment amount that applies to the service. If the provider is paid less than the amount they are entitled to receive the PFFS organization must pay the provider the difference.

**12. How does a provider know that a Medicare beneficiary is enrolled in a PFFS plan, rather than Original Medicare?**

The beneficiary will present the provider with an enrollment card identifying him or her as a member of a PFFS plan. In addition, the enrollment card will give a toll-free

phone number and / or a web address for the plan's terms and conditions of participation.

**13. Is a Medicare provider that accepts assignment required to accept a PFFS member for care?**

No, providers are not required to see an enrollee in a PFFS plan. However, if a provider furnishes care to a PFFS enrollee, and the deeming conditions have been met the provider is bound by the PFFS plans terms and conditions of participation.

**14. Can a carrier or intermediary furnish providers with more information about the PFFS plan?**

No, to obtain information about a PFFS plan a provider must contact the PFFS organization. The Centers for Medicare & Medicaid Services (CMS) is responsible for the oversight of PFFS plans and also provides information about the operation of Medicare PFFS plans.

**15. If a provider bills Original Medicare for PFFS claims, will the claims be denied?**

Yes, claims for services provided to enrollees of a PFFS plan will not be paid by Original Medicare and will be rejected if sent to a carrier or intermediary. Providers must bill the PFFS organization their patient is enrolled with.

**16. Does the PFFS plan cover everything Original Medicare covers?**

Yes, by law a PFFS plan must provide enrollees with at least the same benefits they would receive under Original Medicare. In addition, a PFFS plan may offer extra benefits. Any extra benefits offered by the plan will be specified in its terms and conditions of participation.

**17. How long will it take a PFFS plan to pay a provider?**

PFFS plans are required by law to process all error-free claims (known as clean claims) within 30 days of receipt by the plan.

**18. Can a provider bill the beneficiary if the PFFS organization will not pay?**

Any provider who furnishes care can only collect from the beneficiary the amount allowed under the plan's terms and conditions of participation if the plan covers the service's; the plan must pay the provider the remainder of the amount due for covered services. The PFFS plan is accountable for any other amounts owed the provider for covered care. If the care is not covered under the plan, the provider can collect from the beneficiary for the non-covered care. For example, if the plan does not cover

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hearing aides, but a provider furnishes a plan member hearing aides; the provider may collect payment for them from the beneficiary.